

AMENDED IN SENATE JUNE 12, 2006

AMENDED IN ASSEMBLY APRIL 19, 2006

AMENDED IN ASSEMBLY MARCH 27, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

## ASSEMBLY BILL

**No. 2429**

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**Introduced by Assembly Member Negrete McLeod**  
**(Principal coauthor: Assembly Member Matthews)**  
**(Coauthors: Assembly Members Bermudez, Chavez,**  
**Shirley Horton, Houston, Jones, and Koretz)**  
(Coauthor: Senator Cox)

February 23, 2006

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An act to amend Sections 10151, 10153.2, 10153.5, 10154, 10156.6, 10156.7, 10170.5, and 10215 of, to add Section 10151.1 to, and to repeal Sections 10153.3 and 10153.4 of, the Business and Professions Code, to amend Sections 10151, 10153.3, 10153.4, and 10153.5 of, and to repeal Section 10153.9 of, the Business and Professions Code, relating to real estate salespersons.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2429, as amended, Negrete McLeod. Real estate salespersons: licensure.

Existing law, the Real Estate Law, provides for the licensure and regulation of real estate salespersons by the Department of Real Estate. Under that law, ~~an applicant for licensure as a real estate salesperson~~ *a person may apply to take the real estate salesperson license examination upon demonstrating, as specified, to the Real Estate Commissioner enrollment in, or completion of, a real estate principles course and, after passing the examination, is required to*

submit to the ~~Real Estate Commissioner~~ *commissioner* evidence of the successful completion of specified courses in real estate either prior to issuance of the license or within 18 months after its issuance.

This bill would, ~~for persons who apply~~ *require a person whose application for licensure or for the licensure examination or for both is received by the commissioner on or after October 1, 2007, delete the provisions from the Real Estate Law that allow an applicant to submit evidence of his or her completion of the real estate courses within 18 months after issuance of the license to demonstrate, as specified, completion of the real estate principles course as well as the other specified real estate courses required for licensure before taking the real estate salesperson license examination. The bill would also specify requirements for persons whose applications are received by the commissioner prior to October 1, 2007.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. Section 10151 of the Business and Professions*
- 2     *Code is amended to read:*
- 3     10151. (a) Application for the real estate salesperson license
- 4     examination shall be made in writing to the commissioner. The
- 5     commissioner may prescribe the format and content of the
- 6     salesperson examination application. The application for the
- 7     salesperson examination shall be accompanied by the real estate
- 8     salesperson license examination fee.
- 9     (b) Persons who have been notified by the commissioner that
- 10    they passed the real estate salesperson license examination may
- 11    apply for a real estate salesperson license. A person applying for
- 12    the salesperson examination may also apply for a real estate
- 13    salesperson license. However, a license shall not be issued until
- 14    the applicant passes the real estate salesperson license
- 15    examination. If there is any change to the information contained
- 16    in a real estate salesperson license application after the
- 17    application has been submitted and before the license has been
- 18    issued, the commissioner may require the applicant to submit a
- 19    supplement to the application listing the changed information.
- 20    (c) ~~Application for the real estate salesperson license~~
- 21    ~~examination shall be made in writing to the commissioner. The~~

~~1 commissioner may prescribe the format and content of the~~  
~~2 salesperson license application. The application for the real estate~~  
~~3 salesperson license shall be accompanied by the appropriate fee.~~  
*4 An application for the real estate salesperson license*  
*5 examination or for both the examination and license that is*  
*6 received by the commissioner on or after October 1, 2007, shall*  
*7 include evidence or certification, satisfactory to the*  
*8 commissioner, of successful completion at an accredited*  
*9 institution of a three semester unit course, or the quarter*  
*10 equivalent thereof, in real estate principles as well as the*  
*11 successful completion at an accredited institution of a course in*  
*12 real estate practice and one additional course set forth in Section*  
*13 10153.2, other than real estate principles, real estate practice,*  
*14 advanced legal aspects of real estate, advanced real estate*  
*15 finance, or advanced real estate appraisal. The applicant shall*  
*16 provide this evidence or certification to the commissioner prior*  
*17 to taking the real estate salesperson license examination.*

*18 SEC. 2. Section 10153.3 of the Business and Professions*  
*19 Code is amended to read:*

*20 10153.3. (a) This section shall apply to an application for the*  
*21 real estate salesperson license examination, the real estate*  
*22 salesperson license, and for both the examination and license*  
*23 received by the commissioner prior to October 1, 2007.*

*24 (b) Application for the real estate salesperson license*  
*25 examination pursuant to this section shall be made in writing to*  
*26 the commissioner. The commissioner may prescribe the format*  
*27 and content of the salesperson examination application. The*  
*28 application for the salesperson examination shall be*  
*29 accompanied by the real estate salesperson license examination*  
*30 fee.*

*31 (c) In order to take ~~an~~ the examination for a real estate*  
*32 salesperson license, an applicant under this section shall submit*  
*33 evidence or certification; satisfactory to the commissioner; of*  
*34 enrollment in, or successful completion at, an accredited*  
*35 institution; of a three-semester unit course, or the quarter*  
*36 equivalent thereof, in real estate principles. Evidence of*  
*37 enrollment satisfactory to the commissioner may include a*  
*38 statement from the applicant made under penalty of perjury.*

*39 ~~(b) An applicant for an original real estate salesperson license,~~*  
*40 ~~including an applicant who has filed a salesperson license~~*

~~1 application contemporaneously with an application to take an  
2 examination for a real estate salesperson license, shall, prior to  
3 the issuance of the license, submit evidence satisfactory to the  
4 commissioner of successful completion, at an accredited  
5 institution, of a three-semester unit course, or the quarter  
6 equivalent thereof, in real estate principles.~~

*(d) An applicant under this section may take the real estate salesperson license examination within two years of the date his or her application was received by the commissioner. Notwithstanding subdivision (c), if the applicant fails to take the examination or to obtain a passing score on it within that time period, he or she shall be required to submit evidence or certification satisfactory to the commissioner of satisfactory completion at an accredited institution of the courses described in subdivision (c) of Section 10151 before taking the examination.*

*(e) An applicant under this section shall, prior to issuance of the real estate salesperson license, submit evidence or certification satisfactory to the commissioner of successful completion of the real estate principles course as described in subdivision (c) and of successful completion at an accredited institution of a course in real estate practice and one additional course set forth in Section 10153.2 other than real estate principles, real estate practice, advanced legal aspects of real estate, advanced real estate finance, or advanced real estate appraisal.*

~~(e)~~

*(f) The commissioner shall waive the requirements of this section for an applicant who is a member of the State Bar of California, or who has completed an equivalent course of study, as determined under Section 10153.5, or who has qualified to take the examination for an original real estate broker license by satisfying the requirements of Section 10153.2.*

~~(d) This section shall become operative on July 1, 2004.~~

*SEC. 3. Section 10153.4 of the Business and Professions Code is amended to read:*

*10153.4. (a) This section shall apply to an application for the real estate salesperson license examination, the real estate salesperson license, and for both the examination and license received by the commissioner prior to October 1, 2007, if the*

1 *applicant obtains a passing score on the real estate salesperson*  
2 *license examination prior to October 1, 2007.*

3 *(b) Application for the real estate salesperson license*  
4 *examination pursuant to this section shall be made in writing to*  
5 *the commissioner. The commissioner may prescribe the format*  
6 *and content of the salesperson examination application. The*  
7 *application for the salesperson examination shall be*  
8 *accompanied by the real estate salesperson license examination*  
9 *fee.*

10 *(c) An applicant under this section shall comply with the*  
11 *requirements of subdivision (c) of Section 10153.3 in order to*  
12 *take the real estate salesperson license examination.*

13 *(d) An applicant under this section who obtains a passing*  
14 *score on the real estate salesperson license examination prior to*  
15 *October 1, 2007, Every person who is required to comply with*  
16 *Section 10153.3 to obtain an original real estate salesperson*  
17 *license shall, prior to the issuance of the real estate salesperson*  
18 *license, or within 18 months after issuance, submit evidence, or*  
19 *certification satisfactory to the commissioner, of successful*  
20 *completion, at an accredited institution, of a course the real*  
21 *estate principles course as described in subdivision (c) of Section*  
22 *10153.3 and the successful completion at an accredited*  
23 *institution of a course in real estate practices practice and one of*  
24 *the courses listed additional course set forth in Section 10153.2,*  
25 *other than real estate principles, real estate practice, advanced*  
26 *legal aspects of real estate, advanced real estate finance, or*  
27 *advanced real estate appraisal.*

28 ~~(b)~~

29 *(e) A salesperson who qualifies for a license pursuant to this*  
30 *section shall not be required for the first license renewal*  
31 *thereafter to complete the continuing education pursuant to*  
32 *Article 2.5 (commencing with Section 10170), except for the*  
33 *courses specified in paragraphs (1) to (4), inclusive, of*  
34 *subdivision (a) of Section 10170.5 or, on and after July 1, 2007,*  
35 *except for the courses specified in paragraphs (1) to (5),*  
36 *inclusive, of subdivision (a) of Section 10170.5.*

37 ~~(e)~~

38 *(f) The salesperson license issued to an applicant who has*  
39 *satisfied only the requirements of Section 10153.3 subdivision (c)*  
40 *at the time of issuance shall be automatically suspended effective*

1 18 months after issuance if the licensee has failed to satisfy *the*  
2 *requirements of* subdivision-(a) (d). The suspension shall not be  
3 lifted until the suspended licensee has submitted the required  
4 evidence of course completion and the commissioner has given  
5 written notice to the licensee of the lifting of the suspension.

6 (d)

7 (g) The original license issued to a salesperson shall clearly set  
8 forth the conditions of the license and shall be accompanied by a  
9 notice of the provisions of this section and of any regulations  
10 adopted by the commissioner to implement this section.

11 (e)

12 (h) The commissioner shall waive the requirements of this  
13 section for any person who presents evidence of admission to the  
14 State Bar of California, and the commissioner shall waive the  
15 requirement for any course for which an applicant has completed  
16 an equivalent course of study as determined under Section  
17 10153.5.

18 (f) ~~This section shall become operative July 1, 2003.~~

19 *SEC. 4. Section 10153.5 of the Business and Professions*  
20 *Code is amended to read:*

21 10153.5. As used in Sections 10153.2, 10153.3, and 10153.4,  
22 “an equivalent course of study” includes courses at a private  
23 vocational school—~~which~~ *that* have been found by the  
24 commissioner, upon consideration of an application for approval,  
25 to be equivalent in quality to the real estate courses offered by  
26 the colleges and universities accredited by the Western  
27 Association of Schools and Colleges.

28 As used in Sections 10151, 10153.2, 10153.3, and 10153.4,  
29 “accredited institution” shall mean a college or university—~~which~~  
30 *that* either:

31 (a) Is accredited by the Western Association of Schools and  
32 Colleges, or by any other regional accrediting agency recognized  
33 by the United States Department of Education.

34 (b) In the judgment of the commissioner, has a real estate  
35 curriculum equivalent in quality to that of the institutions  
36 accredited pursuant to subdivision (a).

37 *SEC. 5. Section 10153.9 of the Business and Professions*  
38 *Code is repealed.*

39 ~~10153.9. No provision in this chapter shall, on the basis of an~~  
40 ~~applicant's failure to successfully complete prior examinations,~~

1 ~~impose any additional limitations, restrictions, prerequisites, or~~  
2 ~~requirements on any applicant who wishes to participate in~~  
3 ~~subsequent examinations. Nothing in this section, however,~~  
4 ~~requires exemption of any such applicant from the regular fees~~  
5 ~~and requirements normally associated with examinations.~~

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7  
8 **All matter omitted in this version of the bill**  
9 **appears in the bill as amended in the**  
10 **Assembly, April 19, 2006 (JR11)**  
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